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From:

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To:

Cc:

Subject: RE: Payment Option Request

It is legally permissible to have the two pass-through partners pay a tax on the net adjustments passing through them at the highest marginal tax rather than flowing the adjustments to the hundreds of indirect partners. I understand that the pass-through partners will reflect the payments as distributions on Schedules K-1 to the partners on whose behalf the payments are made so that, economically, both the partners and the Service will be put in the same situation as if the Service Center flowed through all of the adjustments and the partners had paid the assessments individually. Ultimately, the decision to agree to this procedure is up to Exam.

